

DOCUMENT RESUME

ED 412 856

HE 030 647

AUTHOR Greer, Darryl G.
TITLE Prospective Governance. AGB Occasional Paper No. 31.
INSTITUTION Association of Governing Boards of Universities and Colleges, Washington, DC.
PUB DATE 1997-00-00
NOTE 17p.
AVAILABLE FROM Association of Governing Boards of Universities and Colleges, One Dupont Circle, Suite 400, Washington, DC 20036 (members, \$4.95; nonmembers, \$9.95; quantity discounts).
PUB TYPE Opinion Papers (120)
EDRS PRICE EDRS Price MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS Administrative Organization; Administrative Policy; Administrator Responsibility; Board Administrator Relationship; *Change Strategies; *College Administration; College Planning; Educational Change; Educational Finance; Financial Support; *Futures (of Society); *Governance; Governing Boards; Government School Relationship; Higher Education; Institutional Autonomy; Policy Formation; Productivity; Program Effectiveness; School Policy; Student Costs; *Trustees

ABSTRACT

Higher education governance structures are ineffective and new structures of "prospective governance" are needed for future success. Trends affecting higher education include financial scarcity, lack of government funding juxtaposed with the growing public demand for better services, and the competitive pressures of commercialization and technology. Various historical structures such as a boxy, hierarchical model no longer meet the needs of students. There are various myths regarding governance that limit its reform. These include: the belief that reform must come from within; that bad economic times will evaporate; that debates about new governance should center on tradeoffs between campus autonomy and centralized control; that public sector institutions need government buffers to protect them from politics; that shared governance is the preferred form of faculty involvement and is compatible with strategic planning; that conflict must be avoided in order to foster collegial governance; and that the public served understand and respect higher education governance. Prospective governance must focus on what reform should achieve rather than how to achieve specific outcomes. Effective governance is participatory with common, collective goals, not an aggregation of particular goals. Prospective governance is also anticipatory and accountable and promotes agreement across various constituencies. (Contains 10 references.) (JLS)

* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *



Association of Governing Boards
of Universities and Colleges

Prospective Governance

By Darryl G. Greer

AGB OCCASIONAL PAPER No. 31

BEST COPY AVAILABLE

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

- ☒ This document has been reproduced as
received from the person or organization
originating it.
- ☐ Minor changes have been made to improve
reproduction quality.

* Points of view or opinions stated in this docu-
ment do not necessarily represent official
OERI position or policy.

PERMISSION TO REPRODUCE AND
DISSEMINATE THIS MATERIAL
IN OTHER THAN PAPER COPY
HAS BEEN GRANTED BY

AGB

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)

The AGB Occasional Paper Series addresses current and emerging issues of concern to board members and administrators in the context of their institutional settings. Some titles in the series are commissioned by AGB; others are the work of reputable individuals or groups whose work comes to our attention. This series of publications is intended to inform debate and discussion, not to represent or imply endorsement by the association or its members.

AGB distributes complimentary copies of new titles in the Occasional Paper Series to chief executives and board chairs of member institutions. Individuals may purchase additional copies at a nominal charge by calling or writing to AGB. The association grants permission to its members to photocopy and distribute this paper. Copyright © 1997 Association of Governing Boards of Universities and Colleges. All rights reserved.



**Association of Governing Boards
of Universities and Colleges**
One Dupont Circle • Suite 400
Washington, D.C. 20036
Tel: 202/296-8400 Fax: 202/223-7053
Internet: <http://www.agb.org>

Executive Summary

In this paper, Darryl G. Greer argues that (1) today's higher education governance structures—lay trustee oversight and shared academic governance—are ineffective, and (2) higher education must develop different structures of "prospective governance" to succeed in the future.

Greer first describes today's environment and why current governance mechanisms are not able to meet its challenges. He cites several trends affecting higher education: financial scarcity; lack of government funding, juxtaposed with growing public demand for better services; and the competitive pressures of commercialization and technology. He then summarizes an essay on how and why higher education governance was originally built. One example is a "boxy, hierarchical structure" of policy making that no longer fits the needs of today's students or a "flatter, more concentric delivery system." Finally, Greer discusses and refutes seven popular myths about governance which inhibit its reform. Two myths are that higher education must be reformed from within and that public sector institutions need state level "buffers" to protect them from politics.

In the second section of the paper, Greer lays out his concept of effective governance and, in turn, prospective governance. He emphasizes that we must focus on *what* reform should achieve, rather than *how* to achieve certain outcomes. Effective governance, for example, is participatory and has "common goals, collective purposes, and accountability"; it is not just "the aggregation of many particular goals...followed by negotiation." Pushing beyond this, Greer describes how governance can evolve from effective to prospective. Among other things, prospective governance is "anticipatory"; it is "explicit, open, and accountable"; and it promotes agreement on goals across segments of higher education. He concludes this section with concrete suggestions about what prospective governance might entail on the federal level, state level, for boards of trustees, and for faculty.

The author admits this is a "broad brush sketch," not a blueprint, for governance reform. AGB hopes you will find this a thought-provoking and useful publication.

Prospective Governance by Darryl G. Greer

"The question 'What absolutely is the best government?' is unanswerable as well as indeterminate; or rather, there are as many good answers as there are possible combinations in the absolute and relative situations in all nations.

But if it is asked by what sign we may know that a given people is well or ill governed, that is another matter, and the question, being one of fact, admits of an answer."

—Rousseau, *The Social Contract*

How Current Higher Education Trends Affect Governance

Today, major changes in society's financial and educational environments are placing tremendous stress on the nation's higher education system and challenging it to respond to a host of new realities. In this paper, I contend that traditional forms of governance will no longer be adequate to meet these challenges. I suggest that we may need to evolve a new form of governance—what I term "prospective governance"—to enhance and support the delivery of higher educational services.

First, consider the following trends—which are hard to ignore or to dismiss as temporary—that are influencing the higher education community's ability to control its own destiny:

Financial Scarcity

Nearly all observers agree that funds for public higher education will remain scarce for the foreseeable future. Even in good economic times, we should expect less, not more, financial support from state, federal and local governments, says Steven D. Gold in *The Fiscal Crisis of the States*. In addition, taxpayers are growing more reluctant to support tax increases, and rising expenditures for health care and prisons are sure to mean a thinner slice of the pie for discretionary budget items such as higher education. In fact, as a part of total public appropriations, higher education, as compared to K-12 education, corrections and health care, has been losing government funding since the early 1980s. In New

Jersey, for example, higher education's share of state general revenue has declined to about seven percent, from nearly 15 percent, in two decades. The effect of such continuing public disinvestment will be a leaner, more market-driven, consumer-oriented, and commercialized higher education enterprise that is less responsive to traditional governance structures.

Low Priority/High Demand Paradox

Because of taxpayer reluctance to support tax increases and competing funding demands elsewhere, higher education will remain a low priority for public investment by government. Explaining higher education's needs to policy makers and opinion leaders will grow ever more difficult. Paradoxically, consumers will demand even more service from higher education, primarily because of its importance to facilitating individual economic opportunity. The increasing heterogeneity of the student body will further exacerbate the precarious imbalance between growing public demand for higher education and dwindling financial resources for higher education. Unless higher education is able to become more productive with diminishing public investment, public confidence in the higher education enterprise is likely to be further eroded.

Technology, Commercialization and Competition

In the next decade, technology and competition from new, for-profit service providers will spur high education to become increasingly commercial in both its teaching methods and its delivery of academic counseling, student services, and related support services. Institutions will have to restructure dramatically to increase productivity and, to survive, will have to find other avenues to maximize revenue as raising tuition becomes less viable. The effect of this trend will be to increase conflict over goals and authority for achieving them. Internally, traditional faculty roles and "shared governance" structures are likely to deteriorate. Externally, tensions and uncertainty will grow between institutions and gov-

ernment regulators; as new forms of higher education delivery cross state and regional boundaries, these tensions will confound territorial structures such as system and state-level coordinating boards.

Taken together, these trends are transforming higher education, although, as AGB president Tom Ingram reminds us in *Governing Public Colleges and Universities*, they do not necessarily portend radical change in two fundamental tenets of higher education governance—lay trustee oversight and shared academic governance. Yet many higher education practitioners agree that these and other traditional governance mechanisms will not serve us as well in the future. These mechanisms, too, must be transformed in order for higher education to prosper and to maintain the public's trust. Although there is little agreement on the types of governance reform that might best serve us in the future, certain principles to guide future governance arrangements are becoming increasingly clear. These principles, outlined in this essay, are all aspects of what I label "prospective governance."

Before discussing "prospective governance" in more detail, however, it is important to describe what governance is, why it is important to higher education, and why a careful review and reform of current governance structures—and the belief structures supporting them—is necessary.

Why Governance is Important for Higher Education

Clearly, how we organize ourselves influences what we can accomplish, and governance structures are the ways in which we organize ourselves. I define "governance" in higher education as the totality of federal and state governments, system offices, trustee boards, presidents and faculty that make authoritative decisions about *what* resources will be used and *how* higher educational goals will be achieved. Governance, in large part, defines who is accountable for what outcomes, who is responsible for decision making and service delivery, and who has the authority to evaluate and to enforce decisions. Governance means collectively making authoritative decisions about how to allocate scarce resources among competing interests and, by definition, ensuring that these decisions are legitimate because they have

been reached through participation and consultation rather than through coercion.

Effective governance in higher education supports, enhances, and enables delivery of education and public service. Furthermore, it promotes effective communication about the values and objectives of the enterprise not only within institutions of higher education, but also between higher education and other social and political systems that help determine higher education's future. Governance is key to maintaining the integrity of, and public trust and support for, the higher education enterprise.

What Is Wrong with the Current Governance Structures?

In an essay entitled "The Redesign of Governance in Higher Education," Roger Benjamin and his colleagues at Rand argue cogently that existing governance structures, for a number of reasons, are not effective in the developing environment. First, current governance structures were set up to regulate and distribute resources during a time of growth; they no longer function well as higher education integrates, consolidates, retrenches and learns to "grow by substitution."

Second, current academic governance structures were built to protect traditional faculty values, authority, and turf. They have evolved, in other words, to protect the *status quo* as growth is managed, rather than to provide for rapid and substantive change during a time of fiscal decline and competition.

Third, governance structures were built incrementally on top of a higher education enterprise that was largely private and highly autonomous. As public higher education has matured, the mix of the values of high autonomy from government (to protect academic freedom) and centralized control through consolidated systems (to gain efficiency and accountability) has created a lack of clarity and an ambivalence about purpose, roles, and outcomes needed in today's environment. Widespread support for the established processes for accreditation has crumbled, for example, while state-level coordinating boards have taken on greater regulatory and administrative authority, often usurping campus authority and inviting—rather than ameliorating—conflict and political intrusion. System governing

boards, distant from actual service delivery, too often, in the name of equity and efficiency, stifle initiative, innovation, flexibility, and change at the campus level.

Fourth, the current governance structures aggregate regulation of too many higher education functions and compartmentalize, rather than integrate, too much higher education policy. For example, state-level boards set enrollment, student aid, facilities, budget, and personnel policy common to many institutions, but these entities serve few very well. This compartmentalization of policy has led to what Judith Eaton calls the "TV approach" to higher education policy making—one channel for student aid, one channel for tuition, one channel for undergraduate quality, and so forth. Our boxy, hierarchical governance structure no longer fits well with today's flatter, more concentric delivery system, and no longer serves well today's typical, part-time, adult commuter students.

Finally, our current governance structures emphasize command and response, centralized authority and regulation, and constituency management, all of which inhibit, rather than enhance, accountability. State-level system and coordinating boards do not provide educational service, and therefore cannot be held accountable for it. Only colleges can. For these reasons, our current structures often exacerbate tensions between higher education and the state; they are too slow at understanding and articulating to campuses public policy "demands" on the one hand, and on the other, at advocating to public policy makers the "supports" that higher education needs to be effective.

Reform of these complex governance structures, difficult even in the best of circumstances, is inhibited by a group of myths which surround them and serve to keep them in place. It is important, therefore, to analyze and rebut many of the myths that stand in the way of true reform.

Myths That Inhibit Rethinking Governance

Myth 1: Because higher education governance is based on academic principles and scholarly enterprise, it must be reformed from within. Those who are not scholars lack the academic-based values, experience and understanding to

evaluate and share in collegial decision-making.

Reality: Higher education is shaped largely by external forces, not by higher education dynamics alone. The political and social decision to use the GI Bill to expand higher educational capacity dramatically following World War II is only one example of the external forces that influence higher education. As higher education enters a new era of "enterprise," it will be driven more by consumer needs and choices, and by marketplace competition and adjustment, than by institutions and the public sector defining how educational services will be distributed. In this environment, institutions are likely to become smaller, more adaptive and flexible, and unburdened by high overhead costs associated with traditional higher education. The new higher education will be shaped by consumers' willingness to invest monies for college based on judgments they make about the relative economic and educational value of different service providers. Public funds are more likely to follow consumers than to follow programs and institutions, as is the case in President Clinton's tax proposals. In such an environment, higher education will be highly unlikely to transform itself simply by looking within.

Myth 2: The bad economic times will evaporate. Higher education does not need to restructure itself as radically as some observers suggest.

Reality: Although many higher educators *do not* believe that the future will happen to them, virtually no reputable analyst of higher education finance would concur that the "good old days" will return. It is clear that higher education has been pervasively losing its share of public funding for at least two decades. Virtually all financial analysts agree that higher education is unlikely to recapture its old share of public funds, even in a robust economy, largely because of more pressing funding priorities and the desire to cut spending at all levels of government while simultaneously reducing taxes. It is unreasonable to assume that higher education, largely a discretionary part of government spending, will fare well in the future.

Myth 3: Debates about new governance structures should continue to center on the critical issue of trade-offs between campus autonomy and

centralized control.

Reality: Although the sharp dichotomy between autonomy and centralized control of campuses has been, for too long, at the center of the higher education governance debate, governance solutions in the future are unlikely to be at either end of these two polar extremes. Future good governance means getting done what needs to be done to serve the public, and being accountable for it. Neither complete autonomy nor complete external regulation guarantees effective governance or effective delivery of higher education service. It is more likely that governance reform, caused by the dramatic changes in the financial and educational environment, will be more incremental—initially, at least—and will be based on the particular higher education traditions and values within the states.

Myth 4: Higher education, especially in the public sector, needs state-level "buffers" to insulate it from political intrusion.

Reality: This specious point of view, predominant in the 1960s and 1970s when most of our state-level coordinating boards and many system boards were created, does not conform with political reality. Higher education, as an enterprise, is very much a part of the political system and, therefore, is affected by politics as much as any other public good. In reality, many of these so-called "buffers" (system and coordinating boards) protect elected officials from unhappy higher education constituents as much as they protect higher education from politics. Like campuses, these agencies face growing scrutiny, especially by state governors, regarding their effectiveness. Rather than look at structures to buffer higher education from interacting with broader political spheres, we need to find arrangements that facilitate effective communications with other social and political systems and that enhance informed and principled policy decisions.

Myth 5: "Shared academic governance," as the preferred form of faculty involvement in cam-

Two fundamental tenets of higher education governance—lay trustee oversight and shared academic governance—must be transformed.

pus governance, is highly compatible with emerging trends.

Reality: Although shared governance, as an ideal, is preferable in higher education's academic and collegial environment, it often has not worked well and cannot be expected to work well in the future.

Many years ago, in *Aca-*

ademic Strategy, George Keller and others noted the disjointedness between shared governance and the need for effective, long-range strategic planning. More recently, Jack Schuster and others clearly point out the friction between effective strategic decision making and shared governance; in *Strategic Governance: How to Make Big Decisions Better*, they contend that shared governance is slow, cumbersome, focused on the *status quo*, idiosyncratic, and inwardly focused.

Further, the shared governance form has not taken root at most institutions of higher education, especially in the public sector, which is dominated by the two-year and four-year nonselective, nonresearch-based institutions. As faculty continue to relinquish some responsibilities (such as advising and counseling) which relate closely to academic governance, shared governance will be even less likely to serve higher education well. Further, in many public institutions, collective bargaining has supplanted shared governance. Collective bargaining, by definition a process of conflict resolution through negotiation, is not accountable for collective, authoritative decisions about the future of higher educational institutions.

Myth 6: To foster collegial governance, we must avoid conflict.

Reality: For better or worse, conflicts among values and goals, and competition for resources are the norm within complex organizations and between institutions of higher education and others competing for scarce public goods. Unfortunately, current governance structures, in the name of collaboration and collegiality, have fostered constituent and special interest management, procrastination, negotiation and compro-

mise, and have created confusion about how authoritative decisions are to be made. Cooperation is always needed in implementing policy, but failure to make decisions in the name of collegial decision-making robs academia of its integrity. Presidents, faculty and administrators have choices between the extremes of conciliation and confrontation. They need to be more honest about the decisions, possible options, and outcomes which institutions face, and should not delay those academic decisions in the name of collegiality. Such procrastination fails to use competing ideas and interests as a means of creating new policy solutions, and squanders an institution's capacity to change.

Myth 7: The publics that we serve understand and respect our governance structures and processes.

Reality: Nothing could be further from the truth. According to recent survey research by the Public Agenda Foundation, the public not only *does not* understand how higher education is governed, but frankly cares very little about the process. The public seems to be deeply concerned about its ability to access and pay for higher education. The public is *not* concerned about how we process decisions or what governance mechanisms we use to regulate our behavior. Earlier survey research from the 1970s, done by Heinz Eulau in *Technology and Civility*, indicates a consistent public attitude that reflects a lack of public interest in higher educational internal policy and governance.

What Needs to be Done to Improve Governance

To move beyond these myths and improve higher education governance at all levels, we need to sort out *what* we want to accomplish from *how* we want to accomplish certain outcomes. In other words, we need to abandon our quest for the perfect governance structure and focus on what we want to achieve. Effective governance means making authoritative decisions that have integrity, are efficacious, and can be accounted for—decisions that allow us to accomplish what we set out to do and that can be evaluated based on widely agreed-upon goals. I suggest that effective governance has the following attributes:

- It focuses on common goals, collective purposes and accountability, rather than the aggregation of many particular goals, followed by negotiation, consensus building and adjudication.

- Quality governance simultaneously *aggregates* and *distributes* responsibility and accountability rather than centralizes it. College governance has many of the attributes of federated systems. As Warren Bennis notes in *An Invented Life: Meditations on Leadership and Change*, a fundamental value guiding distribution of authority in federal arrangements is *nonregulation* and *noncentralization*, as opposed to *deregulation* and *decentralization*.

- Effective governance is based on widely shared values and principles, not on ideology.

- Effective governance is participatory, but it is *not* a negotiation process.

- It promotes competition, but is *not* adversarial. It recognizes that competition over ideas and dollars is the norm, and that finding strategies to implement policies among conflicting perspectives is fundamental to making political choices.

- It promotes effective decision making and communication about outcomes at many levels simultaneously, rather than sequentially, and incrementally through a hierarchical structure. It makes the "rules of the game," especially those concerning boundaries of authority and rights and responsibilities of participants in reaching decisions, abundantly clear.

- Finally, effective governance recognizes fundamentally the need for evaluation and assessment. As Richard Englert reminds us in his essay, "Higher Education's Evaluation Politics," assessment is fundamentally a political process that essentially attempts to influence control of the enterprise. Thus, how institutions respond to questions, through governance mechanisms, is extremely important to maintaining public trust in the integrity of the enterprise.

In the end, governance promotes vision and a sense of collective mission; it assists in ensuring that the whole is greater than the sum of all the parts.

Prospective Governance Defined and Its Characteristics

Given the current trends described earlier, it is no longer enough for governance to be effective. It must be "prospective," or anticipatory, as well.

Prospective governance at all levels (federal, state, and campus) supports and enhances the effective delivery of educational service, and promotes effective communication within higher education and between higher education and the larger political system. It recognizes and helps to define "public judgments" about future directions for higher education.

Prospective governance has the following characteristics:

- By definition it is forward-looking; it envisions what is possible; it forecasts; it sets expectations; it is "anticipatory," as the reinventing government literature suggests.

- It is defined by broad public purpose, and it serves larger social and economic purposes than just the particular purposes of institutions.

- It surveys and recognizes other public judgments affecting higher education; it does not view higher education as a closed system, separate from other political processes.

- It defines and facilitates harmonious relationships and, by doing so, provides for continuity among people and structures. It recognizes that policy coordination and implementation are dynamic political processes that require cooperation on authoritative decisions.

- Such governance is explicit, open, and accountable. Different actors with complementary responsibilities for outcomes at all levels—institutional, federal, state and regional—clearly understand their roles and their authoritative boundaries. They are guided by a mutual understanding of goals and their shared responsibilities for determining outcomes.

- Prospective governance decompartmentalizes policy and disaggregates functions and authority structures.

- Accordingly, prospective governance simplifies rather than makes policy more complex.

- It empowers and enables authority and decision making at many levels by promoting accountability, and by appropriately distributing responsibility for decision making.

- This governance recognizes that conflict,

especially over ideas and scarce financial resources, is the normal environment, and recognizes that higher education, to be successful, must interact with competing political actors and systems in order to justify its needs.

- Prospective governance promotes agreement on goals across segments of higher education (faculty, departments, schools) and different levels of authority affecting higher education.

- Prospective governance is resilient; it is not rigid. It recognizes the importance of local markets in determining a college's mission, programs and costs, and, therefore, the importance of institutional self-definition as fundamental to accountability.

- Finally, prospective governance helps to maintain the public's trust in higher education because of its explicitness, openness, focus on vision, common purpose, goals, and accountability for outcomes.

Prospective Governance in Action

Given the diversity of higher education, how might prospective governance actually work across the different levels that affect higher education—from the federal level to faculty at the campus level? Following are suggestions about what prospective governance might entail for the key players in higher education.

The Federal Level

Prospective governance requires the federal government to articulate clearly a national policy for education, training and labor. As part of that policy, our federal leaders should explicitly clarify the reasons for supporting university research. If the federal role in funding research universities is to be diminished, government should explain what resources higher education can use to continue critical basic research. If we have too many research institutions focused on too disparate an agenda, the federal government, again, needs to be clear about the types of research that are in the national interest and how such research will be funded.

The federal government also should clarify its long-standing role in ensuring equity in postsecondary educational opportunity, and in redistributing income to provide for equal opportunity. In so doing, the federal government

would revisit—and perhaps even revamp—the student financial aid system, which has grown incrementally and haphazardly during the past three decades. Why do we have an ill-suited, “one size fits all” approach to student financial aid policy? Do the grant and loan programs that serve four-year baccalaureate institutions also serve well two-year colleges, proprietary schools, and research universities? Until the federal government is explicit about why it invests in student aid in the first place and what it hopes to accomplish by such an investment, it is unlikely that we will be able to measure the effectiveness of student aid in achieving desired educational and opportunity outcomes.

Under the prospective governance model, the federal government would recognize each state’s sovereignty in the appropriate regulation of higher education. The federal government would use post-audits, and not regulation, as a primary means for accountability. Fundamentally, federal agencies would get out of the business of “back door” standard setting and quality assessment through such dubious and moribund activities as State Postsecondary Education Review Entities (SPRE). The government would take an active role in strengthening national and regional accreditation instead of creating new mechanisms at the state or federal levels to regulate educational quality.

To accomplish these objectives, the federal government needs to reexamine and recreate the Truman Commission on Higher Education in order to take a thorough prospective look at higher education’s importance to the national interests and the federal government’s role in higher education. Further, the commission should engage in survey research to provide an empirical base of knowledge to advocate higher education policy in the public interest.

At the federal level, we should depoliticize partisan education policy by creating a permanent, free-standing higher education planning body, staffed with talented professionals, inde-

**To improve higher education
governance at all levels, we must
abandon our quest for the perfect
governance structure and focus
on what we want to achieve.**

pendent of the Secretary of Education, the White House, and Congress. This agency would have no administrative or regulatory authority, but would have responsibility for planning and advising on federal policy initiatives in coordination with states and campuses. If the federal government will

not create and fund such a permanent council, higher education and philanthropy should.

The State Level

Higher education governance cannot improve dramatically without a strong state role. State government remains the central actor in defining a context for valuing and investing in higher education. States can play a more effective role in governing higher education by clarifying the fundamental purposes for which they invest in higher education. Under prospective governance, each state would offer an explicit rationale for its higher education budget, based on the educational needs of citizens and economic trends facing the state and region. States would use performance-based budgeting to support colleges’ missions. States would depoliticize tuition policy because the state master plan and budget would set expectations for quality and scope of service. Institutions would set tuition and fees based on explicit statements of costs and goals.

State appropriations for higher education would be based on a clear vision statement and master plan prepared by nonpartisan agencies of state government. The state’s unit of analysis would become its citizens, instead of colleges, and how effectively they are served, overall. States would not directly regulate tuition or program offerings within each college’s mission. Rather, individual institutions would determine mission, tuition, programs, and personnel policy within the context of explicit state-level and college plans.

State-level coordinating and governing boards would evaluate, rather than regulate, delivery of educational services. These evaluations would be descriptive of progress toward goals, not *prescrip-*

tive. State higher education officers, coordinating commissions, and governing councils would be refocused on the rationale for public investment, planning and evaluation, and, therefore, would be better prepared to advocate higher education's value to the public. Different colleges with different missions and markets would be evaluated and rewarded within such an environment based on how well they meet institutionally appropriate standards. Campus leaders would be responsible for assessing success at achieving missions and outcomes. State-level agencies would evaluate effectiveness, not by aggregating often specious comparative data, but instead by assessing how well an individual college meets its own mission and plan within the context of a statewide plan.

New policy research and advocacy bodies, such as those created in New Jersey under a 1994 restructuring law, would be created to facilitate coordination and cooperation within higher education, without adding governmental bureaucracy and cost. These institutionally-funded advisory policy councils, which John Millett foresaw a decade ago in *Conflict in Higher Education*, would aggregate interests among competing higher education actors and articulate those interests to the state by advising the governor, legislature and other statutory coordinating bodies. They would be held accountable for how well they did this job. Conversely, such voluntary, quasi-public bodies would articulate to higher education actors the state's interests and help ensure that individual campuses recognize the universal interests contained in state-level plans.

Eliminating the external regulatory coordination of higher education by placing responsibility for coordination on those responsible for delivery of higher educational services—faculty, presidents and trustees—would be an important new principle. Mission-related planning would largely mitigate the need for state-level review and approval of academic programs. State coordinating agencies would continue to authorize education providers, within states, but would not certify the quality of services rendered. Strengthened national and regional accrediting agencies would set qualitative standards and public processes for evaluating different types of institutions. Institutions that fail to meet their own standards would risk losing public funding. Fi-

nally, state governments, like the federal government, would assist institutions in strengthening national and regional accreditation rather than attempting to regulate, qualitatively, academic program development and quality assessment.

In university systems, central governing boards would decentralize authority and strengthen local advisory boards of trustees so that the responsibility for policy implementation rests with local boards rather than at the system level. States and systems would deregulate to give institutions the autonomy and "tools" to implement policy within an overall state context for service delivery. Budget administration, freedom to reallocate funds, purchasing, contracting and payroll management would be the domain of local campuses, as would be tuition setting, program approval, investing and facilities planning. To the highest degree practical, all personnel and labor contract decisions would be delegated to the local campuses. The campus would retain all monies which it generated; any economies a campus generates through prudent management would not have to be returned to the state or system. By having greater control over their destinies, campuses headed by local boards of trustees would be more accountable for educational and financial outcomes.

Further, states governors and legislatures would have to pay greater attention to trustee appointments. States would be wise to adopt many of the recommendations made by AGB (and implemented in states such as Minnesota) regarding improving trustee nomination, selection and appointment.

Boards of Trustees

Governing boards, headed by lay citizens who hold institutions "in trust," have been at the center of the development of America's unique system of higher education. Under prospective governance, campus and system board trustees would have to redouble efforts to focus on policy making from a strategic, mission-based perspective, relating policy decisions to national, state, and local contexts. Trustee boards would conduct business based on an explicit set of mission-related principles, and on long-term and annual goals and objectives established in consultation with others. Trustees would systematically establish guidelines for measuring institutional out-

comes. They would ensure that the college published regularly, in conjunction with faculty and others, a set of "effectiveness indicators" that qualitatively and quantitatively document the college's progress. System boards would delegate more of the responsibility for such processes to the local level.

Boards of trustees, through prospective governance, would focus on long-term evaluation of institutional outcomes rather than on the short-term management of trade-offs among policy choices. The board of trustees would not focus on the wasteful and endless politics of "constituency management" in order to keep the peace within a campus, but instead would spend most of its time assisting the president in clearly and consistently articulating principles behind policy options facing the institution, and explaining why certain options make sense. The governing board would assist the president in leading the institution by consulting on the broader environment and the possible paths for achieving the college's mission.

A board of trustees under prospective governance would continually ask these questions:

- Do we understand our mission and the broader environment?
- Do we have a plan of action? Is it broadly understood?
- What additional tools does the institution need to fulfill its mission, to be accountable, and to maintain the public's trust?
- Are we exercising our responsibility to hear, understand, and act on the broader public interest, not just parochially?

The board of trustees would pay even greater attention to presidential selection and support. During the search for a new president, the board would broaden the pool from which presidents have typically been selected to include nonacademic leaders from business and other not-for-profit fields.

Regarding trustee selection, appointment and development, a public board of trustees should

**Public officials are correct to ask
higher education to justify its
purpose and to account
for the value of public
investment in it.**

be able to determine its own membership size within a range, be given greater responsibility for trustee nomination, and be granted the authority to have some trustee appointments made by the board itself. The president would prepare an explicit program of trustee development in consul-

tation with the board, and shared with state-level appointing authorities.

Faculty

The faculty, like the board of trustees, would consult in authoritative decisions about institutional direction. But the faculty would focus on policies that affect the institution's overall educational product, rather than a particular department, academic discipline, or individual aspiration. Faculty would abandon the notion that each member can have absolute veto power over any institutional changes that may affect him or her.

Faculty would have to develop new structures for participation in decision making other than the traditional slow-moving, plenary faculty senates. If faculty are to remain at the center of academic governance as new educational technology revolutionizes curricula and pedagogy, they will have to create new representative-based councils to monitor academic and financial decisions. The new structures need to cross traditional discipline and department boundaries.

In the public sector, particularly, faculty consultation and participation in governance must be removed from legitimate collective bargaining negotiations. Faculty should be empowered by boards and presidents to manage appointment, promotion, and tenure decisions. Principles and processes used therein should guide faculty participation in other governance issues. An excellent model to consider is the role of the faculty in presidential selection and appointment: Faculty members clearly share in decision making in a consultative, representative, supportive and often determinative way, but with complete knowledge that the explicit authority for presidential appointment rests with the board.

Under prospective governance, faculty members would become managers of information and information coordinators in addition to being teachers and scholars. They would provide a means for "professional accountability." They also would take more responsibility for recognizing and advising on the external forces affecting the institution, their effect on teaching and learning, and for generating pertinent data to help the college evaluate overall institutional outcomes.

Conclusion

Surely, some will say that my proposal for "prospective governance" is somewhat Utopian, even naive. Even so, what I am suggesting is not a precise blueprint for how we might proceed, but rather an admittedly broad brush sketch of where we might aim. There are many different paths that will lead us to similar outcomes, many "good answers" to governance, as Rousseau's words remind us. Some states (for example, New Jersey, Illinois, or Virginia) will decentralize and deregulate higher education governance by granting more authority to local governing boards and campus leaders. Others (such as Maryland, Minnesota, or Massachusetts) will go in the opposite direction, centralizing authority within higher education at the state or system levels. Whichever governance approach a state or a system chooses, each can recognize some of the principles suggested by prospective governance.

Higher education, as an enterprise, clearly is dependent upon exogenous forces that help to create it and shape its future. Even so, because of higher education's unique autonomy from direct government control, the higher education community has great responsibility for, and opportunity for, self-determination. Because of higher education's unique importance to achieving the dream of full participation in America's democratic and economic future, higher education will not escape some new forms of internal and external regulation.

Such regulation is probably needed where colleges' interests and the public's interests merge. In theory, markets are excellent at pricing, distribution, capital and product development, by putting consumers and service providers immediately in touch with one another, by providing consumers many choices among goods

and prices, and by providing vendors the liberty to develop new products. Conversely, while pure markets are good at self-regulation of supply, demand and price, they are not as good at ensuring equality among both consumers and providers. It is for this reason that the government is unlikely to allow higher education to develop unbridled, without some regulation.

Returning to the trends mentioned at the beginning of the essay, we need to justify missions and to distinguish better among structures and functions as higher education matures. Put another way, we need to reassess higher educational outcomes and governance based both on internal and external demands for accountability, and for the overall purpose of public investment in the enterprise. Public policy makers are correctly focused on the important question of the effectiveness of the enterprise in an ever more competitive environment. They are asking higher education to justify its high purpose and to account for the value of public investment in it.

Rather than being viewed as a burden, this is an opportunity for colleges to refocus priorities. It is an opportunity to reestablish the public's trust in higher education's ability to fulfill its educational, research and service functions for individuals and society. It is an opportunity for colleges to show that they can continue to fulfill the promise of educational opportunity for all Americans who can benefit from higher education. Responsibility to do so comes with the liberty that government has granted to institutions. Put simply, higher education is tremendously challenged by the new environment facing it. It has an unique opportunity to redefine and redesign governance in tune with these new circumstances, so that higher education can play both a participatory and leadership role in the American experience.

References

- Benjamin, Roger, Stephen Carroll, Maryann Jacobi, Cathy Krop, and Michael Shires. *The Redesign of Governance in Higher Education*. Santa Monica: Rand, 1993.
- Bennis, Warren. *An Invented Life: Meditations on Leadership and Change*. Reading, Mass.: Addison-Wesley, 1993.
- Eaton, Judith S. *Why Invest in Higher Education, and Who Should Pay for It?* Presented at New Jersey State College Governing Boards Association and Public Affairs Research Institute Seminar on Higher Education Finance, June 1995.
- Eulau, Heinz. *Technology and Civility*. Stanford: Hoover Institution Press, 1997.
- Englert, Richard M. *Higher Education's Evaluation Politics*. In *Policy Controversies in Higher Education*, edited by Samuel K. Gove and Thomas M. Stauffer, 100-124. New York: Greenwood Press, 1986.
- Gold, Steven D. *The Fiscal Crisis of the States: Lessons for the Future*. Washington, D.C.: Georgetown University Press, 1995.
- Ingram, Richard T. and Associates. *Governing Public Universities and Colleges*. San Francisco: Jossey-Bass, 1993.
- Keller, George. *Academic Strategy*. Baltimore: Johns Hopkins University Press, 1983.
- Millett, John D. *Conflict in Higher Education*. San Francisco: Jossey Bass, 1984.
- Schuster, Jack H., Daryl G. Smith, Kathleen A. Corak, and Myrtle M. Yamada. *Strategic Governance*. Washington, D.C.: American Council on Education, 1994.

About the Author

Darryl G. Greer is the executive director of the New Jersey State College Governing Boards Association, Inc.

Acknowledgments

This essay benefits from the generosity of many individuals. First, I owe a special debt to the trustees and presidents of New Jersey's state colleges and university, and to my staff, who provided me the invaluable time to visit with colleagues, to contemplate, and to write.

Further, I deeply appreciate the time and ideas that many friends and colleagues shared with me, including James Appleberry, Ernst Benjamin, Roger Benjamin, David Breneman, Molly Broad, Mary Burgan, Patrick Callan, Richard Chait, Gordon K. Davies, Arthur Hauptman, Richard Ingram, Bruce Johnstone, Dennis Jones, Tom Kane, Richard Legon, Arthur Levine, Aims McGuinness, Ted Marchese, James Merisotis, James Mingle, Iris Molotsky, Richard Novak, Kathy Reeves, Ronald Stead, Susan Stine, Richard West and Robert Zemsky.

Nevertheless, the responsibility for the accuracy and worth of the content is mine alone.

—Darryl G. Greer

The AGB Occasional Paper Series

1. "Emerging Policy Issues for Community Colleges," by Louis W. Bender
2. "Emerging Policy Issues for State Coordinating Boards," by Patrick M. Callan
3. "Emerging Policy Issues for Public Multi-campus Systems," by Aims C. McGuinness, Jr.
4. "Emerging Policy Issues for Foundations of Public Institutions," by Royster C. Hedgepeth
5. "Emerging Policy Issues for Single-Campus Public Institutions," by Kenneth P. Mortimer
6. "Emerging Policy Issues for Historically Black Institutions," by Alan H. Kirschner
7. "Emerging Policy Issues for Theological Schools and Seminaries," by Christa R. Klein
8. "Emerging Policy Issues for Church-Related Institutions," by Reverend William McInnes
9. "Emerging Policy Issues for Private Research Universities," by Roger L. Geiger
10. "Emerging Policy Issues for Liberal Arts Colleges," by Kathryn Mohrman
11. "Information Systems for Boards of Theological Seminaries," by Lawrence M. Butler
12. "Achieving Integrity in Intercollegiate Athletics," by Wilford S. Bailey
13. "Policies for Improving Trustee Selection in the Public Sector," by Patrick M. Callan and Dean A. Honetschlager-
14. "Emerging Issues in Independent School (K-12) Governance," by Pearl R. Kane
15. "Tuition and Finance Issues for Public Institutions," by Thomas P. Wallace, Darryl G. Greer, and James R. Mingle
16. "Issues of Athletic Certification for NCAA Division I Members," by Maureen E. Devlin
17. "Long-Term Tuition Policy: What Happens When Tuition Rises Faster Than Ability to Pay?" by John A. Dunn, Jr.
18. "'New Partnering' for Higher Education and the Corporate Sector," by Delwin A. Roy
19. "Board Effectiveness in Theological Schools," by Barbara E. Taylor and Christa R. Klein
20. "A Prescription for Vitality for Small, Private Colleges," by Ruth B. Cowan
21. "Strategic and Operational Reform in Public Higher Education: A Mandate for Change," by Robert C. Shirley
22. "Higher Education: On a Collision Course With New Realities," by David W. Breneman
23. "Results of a National Survey of Theological School Board Characteristics, Policies, and Practices," by Merrill P. Schwartz
24. "Integrating Endowment and Budget Planning," by Myron P. Curzan and Louis H. Katz
25. "The 'Local Board' in Multicampus Systems and Universities," by Edgar B. Schick
26. "The New Activism of Corporate Boards and the Implications for Campus Governance," by Richard P. Chait
27. "Reducing Student Costs and Enhancing Student Learning," by Alan E. Guskin
28. "Strategic Budgeting: The Board's Role in Public Colleges and Universities," by Dennis P. Jones
29. "Not So Different After All: Academic and Industrial Leadership in the 1990s," by Henry E. Riggs
30. "The Urban University in the Community: The Roles of Boards and Presidents," by John I. Gilderbloom
31. "Prospective Governance," by Darryl G. Greer

AGB Occasional and Public Policy Papers Order Form

Individuals affiliated with AGB-member institutions may photocopy and distribute copies of this paper. If you would like additional copies bound in this format, please use this order form.

Prices for Occasional and Public Policy papers: AGB Members: \$4.95 (\$3.95 for ten or more copies of the same paper); Nonmembers: \$9.95 (\$7.95 for ten or more copies of the same paper).

Shipping and Handling: For orders less than \$10 or more than \$100, we ship for free. For orders of \$10-\$29, add \$3; \$30-\$49, add \$5; \$50-\$100, add \$7. Standard shipping is by Fourth Class Book Rate, and delivery takes two to four weeks. Please call for information on special delivery services.

Paper Number or Short Title	Unit Price	Quantity	Total Price
Subtotal			
Shipping			
TOTAL			

Payment Options: All orders for less than \$25 must be prepaid. Make your check or money order payable to AGB, or call to arrange payment by credit card or purchase order. If your order is more than \$25, we can bill you.

How to Place Your Order: Call AGB toll-free at 800/356-6317; fax your completed order form to 202/223-7053; or mail your order form to AGB Publications, One Dupont Circle, Suite 400, Washington, D.C. 20036.

Name _____

Address _____

City, State, Zip _____

Phone Number _____